

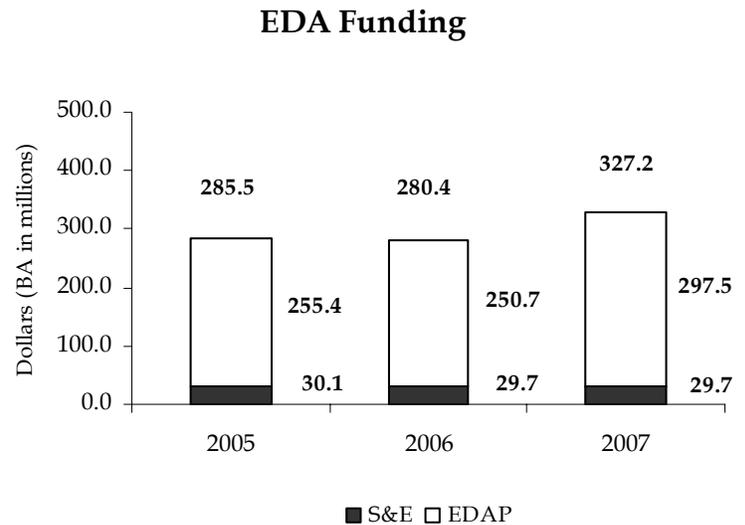
Economic Development Administration

To help distressed communities compete globally in the 21st century, the Economic Development Administration (EDA) will focus on promoting regional economic development strategies and demonstrating performance. To implement the goals and objectives of the Strengthening America's Communities Initiative (SACI), the Economic Development Administration will work in partnership with HUD to establish a results-based Federal economic development framework, thus empowering America's communities to achieve and maintain global competitiveness. To accomplish the competitive grant component of SACI, EDA will concentrate its resources in a new program activity, the Regional Development Account.

The goal of the Regional Development Account will be to assist distressed communities and regions in building regional capacity to adapt to and create new technologies and opportunities through innovation and entrepreneurship. Building upon its expertise in understanding regional economic dynamics, EDA is shifting its focus to help communities build a shared strategic development plan based on regional competitive advantages rather than upon political boundaries. Grants from this will encourage and support cross-jurisdictional planning and long-term strategy development, and promote public-private partnerships that include educational and research institutions, national laboratories, labor organizations, private businesses and governments.

The EDA Regional Development Account will include robust accountability standards to ensure that federal dollars are achieving results and that regions served achieve their goal of global competitiveness. EDA will also work with other Federal economic and community development programs to develop and implement a common performance framework, which will consist of a shared set of goals, standards, and indicators. An interagency council will also be created to assess, strengthen and coordinate their efforts.

In addition to the Regional Development Account, EDA will continue to fund the network of Economic Development Districts and Tribal organizations in order to support and implement effective economic development policies and strategies.



Summary of Appropriations

Funding Levels

	2005 <u>Actual</u>	2006 <u>Estimate</u>	2007 <u>Estimate</u>	Increase <u>(Decrease)</u>
Appropriation				
Salaries and Expenses	\$30,075	\$29,691	\$29,700	\$9
EDAP	253,985	250,741	297,467	46,726
TOTAL APPROPRIATION	284,060	280,432	327,167	46,735
Transfer to EDAP from Dept of Agriculture	1,436	0	0	0

Budget Authority

Salaries and Expenses	30,075	29,691	29,700	9
EDAP	255,421	250,741	297,467	46,726
EDA Revolving Fund	0	0	0	0
TOTAL BUDGET AUTHORITY	285,496	280,432	327,167	46,735

FTE

Salaries and Expenses	199	200	200	0
Reimbursable	8	7	7	0
Total	207	207	207	0

Highlights of Budget Changes

Appropriation: Salaries and Expenses

Summary of Requirements

	<u>Detailed</u>		<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
2006 Appropriation			200	\$29,691
Adjustments to Base				
<u>Other Changes</u>				
2006 Pay raise		\$426		
2007 Pay raise		337		
Payment to Working Capital Fund		22		
Civil Service Retirement System (CSRS)		(32)		
Federal Employees' Retirement System (FERS)		101		
Thrift Savings Plan		9		
Federal Insurance Contributions Act (FICA) - OASDI		23		
Health insurance		59		
Employees' Compensation Fund		(49)		
NARA		1		
Travel				
Mileage		19		
Per Diem		6		
Rent payments to GSA		29		
Printing & Reproduction		3		
Other services/Working Capital Fund		150		
General Level Pricing Adjustment:		71		
Subtotal, other cost changes			0	1,175
TOTAL, ADJUSTMENTS TO BASE (Absorption) *			0	(1,175)
2007 Base			200	29,691
Program Changes			0	9
2007 APPROPRIATION			200	29,700

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Salaries & Expenses	200	\$31,393	200	\$29,691	200	\$29,700	0	\$9
TOTAL DIRECT OBLIGATIONS	200	31,393	200	29,691	200	29,700	0	9
REIMBURSABLE OBLIGATIONS	7	2,728	7	2,000	7	2,000	0	0
TOTAL OBLIGATIONS	207	34,121	207	31,691	207	31,700	0	9
FINANCING								
Unobligated balance, start of year (Direct)	0	(1,702)			0	0		
Unobligated balance, start of year (Reimb.)	0	(728)			0	0		
Offsetting coll. from Federal funds	(7)	(2,000)			(7)	(2,000)		
Subtotal, financing	(7)	(4,430)			(7)	(2,000)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	200	29,691			200	29,700		

* Economic Development Administration will absorb ATBs through staffing adjustments.

Appropriation: Economic Development Assistance Programs

Summary of Requirements

	<u>Summary</u>	
	<u>FTE</u>	<u>Amount</u>
2006 Appropriation	0	\$250,741
Adjustments to Base	0	0
2007 Base	0	250,741
Program Changes	0	46,726
2007 APPROPRIATION	0	297,467

Comparison by Activity

	2006 Currently Avail.		2007 Base		2007 Estimate		Increase / Decrease	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
DIRECT OBLIGATIONS								
Regional Development Account	0	\$0	0	\$0	0	\$257,597	0	\$257,597
Public Works	0	182,630	0	158,332	0	0	0	(158,332)
Planning	0	29,402	0	26,655	0	27,000	0	345
Technical Assistance	0	10,700	0	8,216	0	0	0	(8,216)
Research and Evaluation	0	927	0	482	0	0	0	(482)
Trade Adjustment Assistance	0	14,265	0	12,834	0	12,870	0	36
Economic Adjustment	0	51,526	0	44,222	0	0	0	(44,222)
SUB-TOTAL	0	289,450	0	250,741	0	297,467	0	46,726
Floods and Southern California Earthquake	0	1,961			0	0		
TOTAL DIRECT OBLIGATIONS	0	291,411			0	297,467		
REIMBURSABLE OBLIGATIONS		24,087			0	24,000		
TOTAL OBLIGATIONS	0	315,498			0	321,467		
FINANCING								
Unobligated balance, start of year	0	(10,757)			0	0		
Transfer to Treasury	0	0			0	0		
Anticipated Prior Year Recoveries	0	(30,000)			0	0		
Offsetting collections from:								
Federal funds	0	(24,000)			0	(24,000)		
Subtotal, financing	0	(64,757)			0	(24,000)		
TOTAL BUDGET AUTHORITY / APPROPRIATION	0	250,741			0	297,467		

Highlights of Program Changes

	<u>Base</u>		<u>Increase / Decrease</u>	
	<u>FTE</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>
Economic Development Assistance Programs	0	\$250,741	0	\$46,726

To implement the goals and objectives of the Strengthening America's Communities Initiative (SACI), the Economic Development Administration will work in partnership with HUD to establish a proactive Federal economic development framework, thus empowering America's communities to achieve and maintain global competitiveness. To accomplish the competitive grant component of SACI, EDA will concentrate its resources in a program activity, the Regional Development Account. EDA's updated program will build on existing authorities and expertise and focus strongly on the need for economic regions in America to collaborate on economic development strategies and implementation as outlined in the Strengthening America's Communities Advisory Committee report, issued in July 2005.

With the exception of the Planning program, the Regional Development Account will provide funding for all of EDA's programs under the Public Works and Economic Development Act of 1965 as amended (42 U.S.C. 3121 *et seq*) (PWEDA).

EDA Performance Measures

All EDA program activities under this account support the Department of Commerce strategic goal to provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers, and consumers. In 2007, EDA will track private investment and jobs generated by its investments, and will develop a new goal and associated measures to track the results of its assistance in supporting innovation-led regional development in support of global competitiveness. For investments made in 2005, 2006, and 2007, long-term outcome results will be reported by investment recipients over a period of nine years at three year intervals. EDA nine-year targets are derived from a mid-1990s Rutgers University research project that identified and analyzed the actual jobs and private investment generated by EDA investments. EDA three and six year targets are estimates of the percentage of the nine-year projection that will be achieved in those respective time periods. These estimates have been found to underestimate actual results. Therefore, EDA will be evaluating the formula-based projections and the underlying study when final nine-year results are received. EDA will track that its trade adjustment assistance programs are providing market-based and value-added services.

Below are EDA's current performance goals and selected measures that demonstrate EDA's support of Commerce's strategic goals. A more detailed description of these goals and measures is in the EDA section of the Department of Commerce budget.

Performance Goals (Obligations) and Measures (Targets)

(Obligations in millions)

	2005 <u>Actual</u>	2006 <u>Estimate / Target</u>	2007 <u>Estimate / Target</u>
Goal 1: Promote private enterprise and job creation in economically distressed communities	\$212.5¹	\$208.7	\$277.2
Private sector dollars invested in distressed communities as a result of EDA investments	\$1,791M from 2002 investments \$1,787M from 1999 investments	\$265 by 2009 (1.4 to 1) \$662 by 2012 (3.5 to 1) \$1,323 M by 2015 (7.0 to 1)	TBD
Jobs created or retained in distressed communities as a result of EDA investments	19,672 from 2002 investments 47,374 from 1999 investments	7,019 by 2009 (37 to \$1M) 17,548 by 2012 (93 to \$1M) 35,097 by 2015 (185 to \$1M)	TBD
Goal 2: Improve community capacity to achieve and sustain growth	\$71.5	\$71.7	\$50.0
% of economic development districts and Indian tribes implementing projects from the CEDS process that lead to private investment and jobs	97.0%	95%	TBD
% of substate jurisdiction members actively participating in the economic development district program	91.0%	89-93%	TBD
% of University Center (UC) clients taking action as a result of University Center assistance	78.8%	75%	TBD
% of those actions taken by UC clients that achieve the expected results	87.5%	80%	TBD
% of Trade Adjustment Assistance Centers (TAACs) clients taking action as a result of TAAC assistance	95.0%	90%	TBD
% of those actions taken by TAAC clients that achieved the expected results	97.0%	95%	TBD
Total²	\$284.1	\$280.4	\$327.2

1. This dollar amount has been updated as of December, 2005 (after the Performance and Accountability Report for FY 2005).

2. All funding amounts do not include reimbursable and one time costs since these vary widely from year to year. FY targets are directly dependent on funding amounts, so the funding amount reflects the S&E and EDAP appropriated levels since those are the only certain funding amounts.